

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

NOTICE OF CONTINENTAL TELEPHONE)
COMPANY OF KENTUCKY OF AN) CASE NO. 8861
ADJUSTMENT IN ITS RATES)

O R D E R

IT IS ORDERED that Continental Telephone Company of Kentucky ("Continental") shall file an original and 15 copies of the following information with the Commission on or before September 23, 1983. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to insure that it is legible. Where information requested herein has been provided along with the original application, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and Kentucky jurisdictional operations, separately. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

1. (a) Provide a description of the carrier billing system developed or leased by Continental in order to implement its access service tariff. Also, state the cost of system development or leasing and describe the cost assignment for rate development.

(b) Provide a description of how the carrier billing system will interface with existing Continental billing systems.

(c) Provide a description of any modifications or additions to existing billing systems that Continental plans to make in order to implement its access service tariff. Also, state the cost of any modifications or additions and describe the cost assignment for rate development.

2. Provide a description of Continental's access service tariff structure, including a list of price elements that can be charged to carriers and end-users under the tariff.

3. Provide a description of the methodology used to calculate each access charge filed in the case. Also, show actual calculations from workpapers or other source documents.

4. Provide a description of each access service feature group that Continental plans to make available to carriers, both on an interlata and intralata basis. Also, if applicable, explain why any feature group that could be made available to carriers will not be made available to carriers under the access service tariff.

5. (a) Provide Continental's 1982 or test year intrastate toll investment and revenue requirement by toll service category,

separated between non-traffic sensitive ("NTS") and traffic sensitive ("TS") investment and revenue requirement.

(b) Provide Continental's 1982 or test year intrastate NTS investment and revenue requirement for Category 6 Central Office Equipment (Local Dial Switching).

6. (a) Provide the percentage of Continental's total NTS investment assigned to intrastate toll service of all types as of 1982 or the test year.

(b) Provide the percentage of Continental's total NTS investment that will be assigned to intrastate intralata toll service of all types after January 1, 1984.

7. (a) Provide Continental's 1982 or test year interstate Subscriber Plant Factor.

(b) Provide Continental's 1982 or test year interstate toll investment and revenue requirement by toll service category, separated between NTS and TS investment and revenue requirement.

8. (a) Provide the percentage of Continental's Subscriber Line Usage ("SLU") assigned to intrastate toll service of all types as of 1982 or the test year.

(b) Provide the percentage of Continental's intrastate toll SLU that will be assigned to intrastate intralata toll service of all types after January 1, 1984.

9. Provide Continental's intrastate minutes of use for toll service of all types for 1982 or the test year. The data should be provided in total form and, also, disaggregated between interlata and intralata minutes of use. Also, specify whether the data was developed on a holding time basis. If necessary, convert

the data to conversation minutes of use and state the conversation time ratio used to convert the data.

10. Provide the number of residence and business access lines that Continental had in service as of 1982 or the test year. The data should be disaggregated according to service category, e.g., individual lines, Centrex lines, private branch exchange lines, key system lines, wide area toll lines, semipublic lines, foreign exchange lines, and dedicated private lines. Also the data, should be disaggregated according to lata.

11. (a) Provide the number of foreign exchange lines and equivalents that originate in Continental's service area.

(b) Provide the number of foreign exchange lines and equivalents that terminate in Continental's service area.

(c) Provide the average monthly minutes of use associated with foreign exchange lines and equivalents in Continental's service area as of 1982 or the test year. Also, specify whether the data was accumulated by sampling, measurement, or some other method.

(d) Provide the number of foreign exchange lines and equivalents in Continental's service area that are equipped to measure monthly minutes of use on an individual line basis.

12. (a) Provide Continental's most recent estimate of the total price elasticity of demand for residence and business local exchange service, including summary workpapers, data inputs, and model specifications used to develop the estimate.

(b) Provide Continental's most recent estimate of the total price elasticity of demand for residence and business toll

service, including summary workpapers, data inputs, and model specifications used to develop the estimate.

13. Provide an explanation of Continental's position concerning the effect of lata boundaries on the provision of intrastate WATS, and a statement as to whether Continental will continue to concur in South Central Bell Telephone Company's WATS tariff after January 1, 1984.

14. (a) Provide an estimate of revenue from carrier access services.

(b) Provide an estimate of revenue from carrier contract services.

(c) Provide an estimate of revenue from toll services based on the WATS and MTS schedules filed by South Central Bell Telephone Company in Case No. 8847.

(d) Provide a revised estimate of intrastate end-user charges based on Continental's test year toll revenue requirement and the above outlined sources of revenue.

15. State Continental's position concerning a premium access charge to AT&T. The response should address a method for calculating a premium access charge, an estimate of the revenue that would be collected from a premium access charge, and the disposition of revenue to be collected from a premium access charge.

16. Provide intrastate toll service data as shown in Format No. 1. The data should be based on 1982 or the test year.

17. Provide a list of all rate elements to be increased that Continental contends are competitive in nature. Also, for

each rate element, identify the name and address of the principal competing vendors in Continental's service area, the communities in Continental's service area where the competing product or service is available, the name of the competing product or service, the price charged for the competing product or service, whether Continental contends that providing the product or service requires Commission approval and whether to Continental's knowledge competing vendors have obtained Commission approval, whether the competing vendors are resellers, retailers, or other common carriers, and the market share held by Continental and competing vendors.

18. Provide any study done by Continental to evaluate the impact of competition in the residential and business toll markets in Kentucky.

19. If Continental has conducted a study of by-pass in Kentucky, provide a copy of the study, including an executive summary, a complete narrative description of the study methodology and results, and data supporting study conclusions.

20. If Continental assumes that there will be intralata competition in the area of toll or any other service, after January 1, 1984, provide the documentary basis for the assumption.

21. Provide an estimate of the intralata toll market share that Continental expects to maintain after January 1, 1984. The data should be disaggregated to show an estimate for each toll route in Continental's service area.

22. Provide the number of dedicated private lines and toll lines leased by competing vendors in Continental's service area.

The data should be disaggregated to show the number for each private line and toll route in Continental's service area. Also, state whether the data is actual or estimated and, if estimated, explain the methodology used to develop the estimate.

23. Provide the total average residential and business customer bill by rate group and class of service, e.g., group 1 flat rate, as of 1982 or the test year. The data should be disaggregated to show average access charges, local usage charges, interstate toll charges, intrastate toll charges, miscellaneous charges, and equipment charges.

24. Provide the number of households in Continental's service area with 2 or more access lines.

25. Provide any cost study done by Continental concerning basic exchange service.

26. Provide the percentage rate relationship that Continental stipulates between each rate category in its basic exchange schedule, e.g., business 1-party to residence 1-party.

27. Provide a map of Continental latas and lata associations.

28. Provide a list of all interexchange carrier points of presence in Continental's service area that known to Continental at this time.

29. Provide the following residence and business data for Continental's service area as of 1982 or the test year and a summary of the methodology used to develop the data:

(a) The total number of local message attempts.

(b) The total number of local message attempts completed.

(c) The total number of flat rate local messages.

(d) The total number of message rate local messages.

(e) The average number of conversation minutes per local message.

(f) The distribution of calls per hour of day and day of week.

30. Provide the number of residence and business access lines by class of service, e.g., individual line flat rate, as of 1982 or the test year.

31. Provide data to calculate access line usage and local usage per access line per month. The data should include the number of residence and business access lines by class of service, e.g., individual line flat rate, the total cost of access line service, and total access line revenue.

32. Provide any Continental study of basic exchange service that indicates the monthly cost of local exchange access, the monthly cost of local exchange usage, and total monthly revenue from residence and business access lines by class of service, e.g., individual line flat rate.

33. Provide the results and basic data from Continental's most recent Subscriber Line Usage Study.

34. Provide any Continental study concerning the elasticity of demand for residence and business basic exchange access and local exchange usage. If a study or other data is available, it should measure elasticity of demand concerning nonrecurring

charges, monthly access line charges, monthly local usage charges, the number and length of local calls, and local calls made during peak calling periods.

35. Provide any workpapers and documents that show how the costs of any computerized testing, maintenance, or inventory systems were included in nonrecurring cost studies. Also, identify how cost savings associated with any computerized testing, maintenance, or inventory systems were included in the cost studies.

36. Provide a summary of the results of time estimates developed for use in nonrecurring cost studies and all documents that support the time estimates. Also, include a copy of all questionnaires or forms that were used in the data collection process and a summary of responses to the questionnaires or forms.

37. Provide all workpapers and documents that were used to develop the labor rates used in nonrecurring cost studies. Also, include a copy of the functional accounting reports used to develop wages and hours, all documentation and summaries that explain how data entries are made to the functional accounting reports, an all documentation and summaries that identify the job functions of all supervisory personnel whose wages and hours were included in the labor rates.

38. (a) Provide all workpapers and summaries detailing how nonrecurring costs were derived and rates developed.

(b) Provide a description of assumptions made in nonrecurring cost studies, including the planning period, the

assumed rate of inflation, and the period of time covering wage rates that were used.

(c) If labor and other costs associated with service disconnection were used in nonrecurring cost studies, provide any workpapers and summaries and describe underlaying assumptions.

39. Provide data on the distribution of residence and business local loops in Continental's service area by class of service, e.g., individual line flat rate.

40. Provide data on local loop inward and outward movement in Continental's service area for 1982 or the test year by class of service, e.g., individual line flat rate.

41. Provide data on local loop fill factors in Continental's service area for 1982 or the test year by rate group and class of service, e.g., individual line flat rate.

42. Provide a proportional distribution of the number of residence and business access lines in each rate group of Continental's basic exchange schedule.

43. If a repression adjustment was made to either revenue requirement or billing units, explain the nature of the adjustment and assumptions underlaying the adjustment.

44. Provide a definition of official toll and an explanation of its assignment to end user charges.

45. Provide a cost study for each rate element in the GET, Section 4, Services Charges.

46. Provide a cost study for each rate element in the GET, Section 6, Directory Listings.

47. Provide the cost study used to develop rates in the GET, Section 8, Mileage, including an executive summary, a description of study methodology, a description of study results, and data underlaying the study.

48. Provide a cost study for each rate element in the GET, Section 13, Miscellaneous Service Arrangements and Auxiliary Equipment.

49. Provide a cost study for each rate element in the GET, Section 100, Obsolete Service Offerings.

Done at Frankfort, Kentucky, this 9th day of September, 1983.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary

MESSAGE TOLL USE

RESIDENCE

<u>Exchange Company</u>	<u>Access Lines</u>	<u>Total</u> <u>Msg.</u>	<u>Total</u> <u>Min.</u>	<u>Total</u> <u>Charges</u>	<u>Msg.</u> <u>Per Line</u>	<u>Min.</u> <u>Per Line</u>	<u>Charges</u> <u>Per Line</u>	<u>Min.</u> <u>Per Message</u>	<u>Charges</u> <u>Per Message</u>
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MESSAGE TOLL USE

BUSINESS

<u>Exchange Company</u>	<u>Access Lines</u>	<u>Total</u>		<u>Total</u>		<u>Total</u>		<u>Msg.</u>		<u>Min.</u>		<u>Charges</u>		<u>Min.</u>		<u>Charges</u>	
		<u>Msg.</u>	<u>Min.</u>	<u>Charges</u>	<u>Per Line</u>	<u>Msg.</u>	<u>Min.</u>	<u>Charges</u>	<u>Per Line</u>	<u>Msg.</u>	<u>Min.</u>	<u>Charges</u>	<u>Per Line</u>	<u>Msg.</u>	<u>Min.</u>	<u>Charges</u>	<u>Per Line</u>